G R S 58]

Previous references

File No 101-15-

1915.
(Municipal)

Serial Nos 23 & 34

Later references

Present
28/7/15

GENERAL AND REVENUE SECRETARIAT

Serial Nos 28 & 34

Part B for September 1915-

SUBJECT

Audit note on the Accounts of the Chittal dung Town Municipality for 1913-14

G O No 2438-9 & 209 15-

Observes that the Collection work should not be entrusted to the accountant and that steps should be taken to revise the house and Conservancy taxes

GPS—10,000—25-8-15

28/9/15

G R S 11] 1915–16

GENERAL AND REVENUE SECRETARIAT

(Jud)

NOTES

File No 101/15

FILL HEADING

Audit notes of the accounts of the Municipalities for the year 1913–14

From

The Comptroller

No 1590 (0827) Dated 26 8 15 Received 28 8 15

Diary No 866	Enclos	Spare Copies	Serial No 23

BRIEF ABSTRACT OF LETTER.

Forwards the audit note on the accounts of the Chitaldrug Town municipality for 1913–14

NOTES AND ORDERS

Draft prepared for orders

KB 10/9/15

Seen Thanks

May be approved

EG 11/9

Draft approved Copies 2nd Member

10/9/15

Issue

EG 12/9

NOTES—First Sheet

JYB—20 000—8 8 14

G R S 12]

General and Revenue Secretariat

Int File No 101 of 1915-16

Serial No	To
34	The Deputy Comm, Chittagong Hill-tracts
	in Comptroller. No- 2438-9 d 20 9 15
	Observes that the collection work
	should not be entrusted to the accountant
	and that Steps should be taken to
	revise the House and Mohatarfa taxes

NOTE—Centre sheet

GIPD—25,000—30-4-15

(3

D 866

Rev 1 D 11-4-15 -23

Note on the audit of the Accounts of the Municipality of Chitaldrug Town for 1913-14

Name of Senior Auditor—Mr S. Padmanabha Rao

Name of Assistant Auditor—M Krishnasami Iyengar

Date of commencement of audit—19th February 1915

Date of completion of audit—5th March 1915

Period occupied (excepting holidays) in current audit—12 days

The last audit ended on 14th March 1914, and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914

Check of Cash Balance—

1 The balance of cash on hand on 4th March 1915 out of the sanctioned Imprest of Rs 250 for the Town Municipality was Rs 223-10 0 which agreed with the balance shown in the Imprest account of that day

PART I—Action taken on last Audit

2 The audit note for 1912-13 was returned by the President to Comptroller with replies with his No 3-1, dated 26th August 1914 The items that remain unanswered out of the previous years' objection statements are annexed hereto as statement A Some of the replies given in the last year's audit objection statements are not final so as to remove them from the list of objections

The Imperial Post Office buildings used as residential quarters and the lady apothecary's quarters were not assessed to house tax

PART II—Result of current Audit

3 The result of current audit is embodied in the accompanying 26 sheets of objection statements and only important ones are dealt with here

4 It was a serious irregularity to have entrusted the work of collection on account of water tax and octroi duty on piece goods to the Municipal office accountant who is also required to maintain the cash book, and compile the accounts. This requires to be remedied at once

5 *Pound accounts* —The defects noticed in the Pound accounts were the following —

(1) Counterfoil receipt of releases No 1, dated 1st January 1914, was found torn off the receipt book *Vide* item No 4

(2) Less collection of fines to the extent of 8 annas Item No 9

(3) Pound collections were generally remitted to the Treasury beyond the period of a week prescribed in Rule 228 of the Municipal Account Manual *Vide* Item 10

6 *Octroi accounts* —The points observed were the following —

(1) Bundles of cloths were kept lying in the verandah of the District office building pending recovery of duty and no arrangement was made to provide for a bonded warehouse *Vide* Item 14

(2) Invoices of piece-goods and cloths were not arranged in chronological order for facility of reference, *vide* Items 18 and 19 nor was separate receipt in counterfoil given for the receipt of duty on cloth

(3) There were short collections of duty aggregating Re 0 1-2 *vide* Item 23, and short remittance of octroi collections aggregating Re 0 3 1, *vide* Item 24

7 *Mohatarfa accounts*—(*1*) *Kammi Jasti register* —Applications received in 1913 14, for the decrease of assessment were not produced for examination *Vide* Item 31 (2)

(*2*) The items in kammi jasti register were not serially numbered to enable references in the khate being quoted *Vide* Item 31 (1)

(*2*) *Khate or demand register* —(1) There was no revision of assessment for many years past and every year's delay means so much loss to the Municipality, *vide* Government Order No 1892 9—Ml, 124-14 1, dated 19th August 1914, and Item 22 of the objection statement and Rules 28 to 30 of the Municipal Account Manual

(*3*) *Khadi* —(1) Printed counterfoil receipt books were not used for the recovery of Mohatarfa taxes even in 1913-14 *Vide* Item 33

(2) Mohatarfa collections were remitted to the Treasury thrice a month in July and August 1913, twice in September 1913 and only once a month from October 1913 to June 1914 *vide* Item 34 Under Rule 65 of the Municipal Account Manual, the remittance should be made once a week in the District and Taluk Headquarter stations

(4) *Baki patti*.—(1) About 1,032 items were outstanding in the Bakipatti for 30th June 1914, out of 1,405 khate numbers on the whole, that is, $\frac{3}{4}$ of the total number of items were outstanding *Vide* Item 35

(2) The total closing balance of Mohatarfa taxes for 1913-14, was Rs 2,941-2-4, which pertained to years from 1903-04 to 1913 14, out of which only Rs 674-14-8 as detailed in statement VI appended (hereto) were recovered in 1914-15 (from July 1914 to January 1915) leaving a balance of Rs 2,266-3-8 still to be recovered *Vide* Item 36

(3) No coercive measures were taken by the issue of notices and warrants to the defaulters *Vide* Items 37 and 42

(4) Taxes were outstanding against some khatedars in respect of the houses or sites acquired by the Municipality years ago *Vide* Item 57

It is not known why tax was not recovered at least from the Compensation awarded to them

(5) A sum of Rs 150 made up of 42 items was outstanding against Government servants, etc , *vide* Item 40

Two items of tax amounting to Rs 266 were outstanding against some Government buildings for the adjustment of which the Military and the Public Works Departments should be addressed *Vide* Item 41

(6) The jamabandi for 1914-15 had not been completed before the end of the year nor was the khate or demand register opened—This is a serious irregularity—The balance due to end of May 1915 under this head was so high as 4,742-15-8

(7) Shelter was taken by the out door subordinates for their laches in making collections by the issue of coercive processes, under the plea that necessary bye-laws under the Municipal Regulation were not sanctioned to enable them to issue notices and take out warrants This defect should be immediately rectified

8 *Water tax register*.—An item of Rs 6 was noted in the register for 1912 1, as having been remitted and was not

carried over to the register for the next year (1913 14) The records in support of the remission were not produced for reference *Vide* Item 59 Another sum of Rs 6 was omitted to be included in the opening balance for 1913-14 *vide* Item 60

9 *Acquittance Rolls* —Some of the officials whose pay is Rs 10 and above did not insure their lives in the Mysore State Life Insurance, *vide* Item 62

10 *Security Deposits* —In the Savings Bank Pass books of certain Municipal employees produced for examination, the required letters of agreement were not obtained binding the officials not to withdraw the amounts without the written permission of the Vice-President. *Vide* Item 63

11 *General Remarks* —

(1) The general cash book was not examined and attested by the Vice-President, and balance was not struck therein after the close of the month Details of uncashed cheques were not noted in the cash book after the close of the month, and verification of balance was not recorded in page 8 of the monthly account In the accounts for April 1915, page 9, was omitted to be filled in

(2) Pass book was being sent to the treasury only once a month for being written up, instead of at least twice

(3) In the Municipal office, no register or other record was kept to show the dates of examination of the accounts by the Municipal auditors and their observations on the defects, etc , noticed in the course of audit The maintenance of such a register is very essential

(4) No revision of house tax was effected for many years, and every year's delay means appreciable loss to the municipality

B SRINIVASA IYENGAR,

Assistant Comptroller and
Officer in charge of the
Local Audit Department

GPB—1 -3-16

1809

GRS 28]

File No. 101/15
Serial No 34

Diary No of letter replied to 866

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT
(Jnl)

, the 191

Date of issue 20 9 15

Signed by M C Srinivasa Iyer

READ— The audit notes of the accounts of the Chitaldrug Town Municipality for the year 1913-14 received with Comptroller's letter No 1590/LAD 214 dated the 26th August 1915

ORDER THEREON —No 4438-9 ML 10 V 15-34
8 20 9 15

The work of collecting taxes should never be entrusted to the municipal accountant in addition to his duties

over

SUBJECT

H.W. 1809. MM

GPB—50 000—1 12 15

2. The Municipal Council should be advised to take immediate steps for recovering the House and Mohatarfa taxes in the Town and for recovering all the outstanding arrears.

3 It is hoped that the other irregularities observed by the Auditors will be rectified promptly.

16/9

For Rev. Secretary

To

The Deputy Commissioner, Chittagong

" Comptroller